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April 29, 2005

Andrea Green, Treasurer
Human Rights Campaign PAC
1640 Rhode Island Avenue NW
Washington, DC 20036

Response Due Date:
May 31, 2005

Identification Number: C00235853

Reference: October Monthly Report (9/1/04-9/30/04)

Dear Ms. Green:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

- The beginning cash balance of this report should equal the ending balance of your Amended 2004 September Monthly Report. Please clarify this discrepancy and amend any subsequent report(s) that may be affected by this correction.
- Your calculations for Line 8 appear to be incorrect. Cash-on-hand at the close of the current reporting period should always equal the closing calendar year-to-date cash-on-hand amount. Please provide the corrected total on the Summary Page.
- Schedule B supporting Line 23 of your report discloses one or more contributions to a candidate(s) for the 2004 Primary election; however, the funds were disbursed after the election date(s) (see attached). Please note that contributions may not be designated for an election which has already occurred unless the funds are to be used to reduce a candidate committee's debts incurred during that election campaign.

If any apparently impermissible contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If the contribution(s) in question should have been

designated for debt retirement, you should amend your report to indicate "debt retirement," along with the year of election.

If you have made an impermissible contribution, you must request a refund or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding this impermissible activity, your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Schedule B of your report (see attached) discloses one or more contributions which appear to exceed the limits set forth in the Act. 2 U.S.C. §441a(a) prohibits a multicandidate committee and its affiliates from making a contribution to a candidate for federal office in excess of \$5,000 per election.

If any apparently excessive contribution in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information.

If any contribution you made exceeds the limits, you must request a refund of the excessive amount or provide a written authorization for a redesignation of the contribution pursuant to 11 CFR §110.2(b) within 60 days of the treasurer's receipt.

If the foregoing conditions for redesignations were not met within 60 days of the treasurer's receipt, your committee must obtain a refund of the excessive amount.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of the refund or redesignation request sent

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to the recipient committee(s). In addition, any refunds should be disclosed on Schedule A supporting Line 16 of the report covering the period during which they are received. Any redesignations should be disclosed as memo entries on Schedule B supporting Line 23 of the report covering the period during which the redesignation is made. 11 CFR §110.1(b)

Although the Commission may take further legal action regarding the excessive contribution(s), your prompt action in obtaining a refund and/or redesignating the contribution(s) will be taken into consideration.

-Schedule B supporting Line 23 of your report discloses a contribution(s) to numerous committees listed as "Victory 2004." Please clarify whether this is a federal committee(s), as there does not appear to be a committee(s) registered with the Commission under this name(s). In the event this is a non-federal committee(s), please disclose it on Schedule B supporting Line 29 of the Detailed Summary Page.

-The independent expenditure schedule (Schedule E) should disclose the following information: the name and mailing address of the payee, the purpose of the expenditure, the date of payment, the amount of payment, the name and office sought, state and district (if applicable) of the federal candidate, the calendar year-to-date, per election, for office sought total, the election designation, an indication of whether the candidate was supported or opposed and the signature of the treasurer. Please amend Schedule E by providing the name and office sought, state and district of the federal candidate. 11 CFR §104.3(b)(3)(vii)

-Schedule E of your report discloses a \$2,890.40 payment(s) to your connected organization for apparent independent expenditures made on behalf of federal candidates with purposes of "postage" and "communication expense." 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any federal election; however, a connected organization may pay for the solicitation and administrative costs of its separate segregated fund. Further, 11 CFR §114.2(f) prohibits corporations and labor organizations from facilitating the making of contributions to candidates or political committees, other than to the separate segregated funds of the corporations and labor organizations. Facilitation means using corporate or labor organization resources or facilities to engage in fundraising activities in connection with any federal election. The use of corporate or labor organization resources in connection with a fundraiser is permissible only if the corporation or labor organization receives advance payment for the fair market value of such services.

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Please amend your report to clarify whether the payment to your connected organization was for expenditures which were intended to influence federal elections and provide the dates of the activity conducted by your connected organization. In addition, please clarify whether your committee made advance payment for these services to your connected organization by clearly identifying it as "advanced payment" along with the specific purpose for the advance. Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

-Schedule E of your report discloses a total of \$2,890.40 in payments to your connected organization for "salaries." In a miscellaneous electronic submission to the Commission on 11/19/04, you stated that the memo entries on Schedule E were "a draw down on an amount advanced to the Human Rights Campaign by HRC PAC earlier." However, your report(s) does not appear to disclose any apparent advanced payments to support this independent expenditure(s).

Please be advised that your committee must report any "advance payments" made to your connected organization on Schedule B for Line 21(b), during the appropriate reporting period in which it was made as regular entries included in the totals for your report (not memo entries). These disbursements must be clearly identified as "advanced payment(s)" along with the specific purpose for the advance. Subsequently, when the committee uses the corporate or labor organization resources or facilities in connection with a contribution/expenditure on behalf of a candidate, the fair market value attributed to such services should be disclosed as negative amounts on Schedule B for Line 21(b) with a corresponding positive entry on the appropriate line reflecting the activity conducted on behalf of the candidate (in-kind contributions on Schedule B for Line 23 or independent expenditures on Schedule E for Line 24). Please amend your report to clarify this discrepancy and properly disclose this activity. For additional information, please refer to the enclosed sample of properly reported advanced payments for the use of resources and facilities.

-Schedule E of your report indicates that your committee may have failed to file one or more of the required 48 hour notices for independent expenditures (see attached). A political committee must file a 48 hour report with the Federal Election Commission as specified in 11 CFR §104.4(b), within 48 hours of any independent expenditures aggregating \$10,000 or more with respect to a given election, made any time during the calendar year up to and including the 20th day before an election. Please be advised that if any independent expenditures below \$10,000 have not been

previously disclosed, they must be disclosed on the required 48 Hour Notice along with the independent expenditure(s) that triggered the notice requirement (see Advisory Opinion 2003-40). The notice must be received by the Commission by 11:59 p.m. on the second day following the date on which independent expenditures that aggregate \$10,000 or more are publicly distributed or disseminated. These expenditures must then be fully itemized on Schedule E, or as memo entries on Schedule E and reflected on Schedule D if distributed or disseminated prior to payment, of the next report required to be filed by the committee. Although the Commission may take further action concerning this matter, your prompt response will be taken into consideration. 11 CFR §104.3(b)

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1141.

Sincerely,



Kristine Adams
Campaign Finance Analyst
Reports Analysis Division

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Recipient Name	Date	Amount	Election	Election State - Date
Committee to Re-Elect Linda Sanchez	9/10/04	\$2,500.00	Primary	CA-3/2

Recipient Name	Date	Amount	Election	Report
Committee to Re-Elect Denise Majette	11/13/03	\$1,000.00	P2004	Amended 2003 December Monthly
Committee to Re-Elect Denise Majette	3/4/04	\$4,000.00	P2004	Amended 2004 April Monthly
Denise Majette for US Senate	9/15/04	\$5,000.00	P2004-debt retirement	2004 October Monthly

Name of Payee	Date	Amount	Purpose	Candidate
Human Rights Campaign	9/3/04	\$1,445.20	Postage	Bush, George W.
Image First	9/16/04	\$2,880.00	Merchandise	Bush, George W.
Resource One	9/16/04	\$8,645.00	Merchandise	Bush, George W.
Human Rights Campaign	9/17/04	\$1,445.20	Communication expense	Bush, George W.
JAM International	9/20/04	\$1,303.50	Banner Printing	Bush, George W.

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